



Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

Table of Contents

- **Congress Likely To Extend 2024 Funding To Avoid Shutdown As It Assembles Possible Health Package For A Lame-Duck Session**
- **In Case You Missed It**
- **APG Announcements And Offerings**



Congress Likely To Extend 2024 Funding To Avoid Shutdown As It Assembles Possible Health Package For A Lame-Duck Session

With progress on the annual appropriations process lagging, and the House and Senate on recess until September 9, Congress is likely to again miss the statutory deadline for enacting spending bills by the October 1 start of the next fiscal year. Meanwhile, with the November elections looming, lawmakers are quietly laying the groundwork for enacting a “lame duck” legislative package post-election – but one whose contours may only become clear once the election results are final.

Until recently, the appropriations process seemed to have momentum: Before leaving for recess, the Republican-controlled House and the Democratic-controlled Senate made substantial headway in advancing all 12 appropriations bills through committee. The House voted on and enacted five, but the Senate isn't likely to hold votes on its individual bills when it returns. A clash now looms over major differences between the House and Senate in proposed funding levels for entities such as the National Institutes of Health, as well as a House-approved 22 percent cut in funding for the Centers for Disease Control and Prevention, among other divisive issues.

Temporary stalemate: Congress is now expected to pass a continuing resolution by September 30 to avoid a government shutdown and extend the deadline for completing the fiscal 2025 spending package into December or beyond. The fate of other provisions rides on the election outcomes, as the parties weigh how any shifts in the balance of power in Congress next year will affect the near-term legislative calculus. As a result, one or more omnibus spending bills passed in the lame-duck session this year may or may not include the following:

- **A partial paring back** of a likely 2.8 percent Medicare physician fee cut proposed by the Centers for Medicare & Medicaid Services (CMS) (see [Washington Update, July 12, 2024](#)). Although there is some congressional sentiment for blunting the fee cut, the need to offset the additional Medicare spending with savings elsewhere in the budget may limit Congress's ability to act.
- **An extension of Medicare's bonus for clinicians participating in Advanced Alternative Payment (APM) models.** The bonus, originally 5 percent, is now just 1.88 percent for the 2024 performance year and will end on December 31 unless extended. Many APG members engaged in APMs such as the Medicare Shared Savings Program and ACO REACH deem even the smaller bonus essential, particularly since clinicians staying out of APMs can earn bonuses through the [Medicare Incentive-Based Payment System](#) (MIPS) that on average are higher, at 2-3 percent.
- **Extensions of various health care provisions** that will otherwise expire at year end. These include measures to extend pandemic-era Medicare coverage of telehealth services; the [Acute Hospital Care at Home Medicare waiver](#); and two [programs](#) to benefit hospitals. Congress will also need to address expiring funding for the Community Health Center Fund, the Teaching Health Center Graduate Medical Education program, and the National Health Service Corps.
- **Other legislation** to rein in pharmacy benefit management firms (PBMs); require health care providers and insurers to [disclose](#) more information about health care costs; increase access to behavioral health care; add some limited site neutral payment policies; and expand [Medicare coverage of weight loss drugs](#) and [multi-cancer early detection tests](#). But many of these provisions are costly and would also require very large budget offsets, making their near-term fate highly uncertain.



In Case You Missed It

- In the latest rejection of lawsuits involving the [Medicare Drug Price Negotiation Program](#), an Ohio federal district judge [ruled](#) this week that the U.S. Chamber of Commerce and its area affiliates had no standing to bring the case. Multiple district courts have now dismissed suits against this key Inflation Reduction Act (IRA) provision, with some judges ruling that the program clearly passes constitutional muster. Other suits remain to be decided. For now, CMS is thus on track to announce prices for the first ten drugs in the program later this month.
- Congressional Republicans are [challenging](#) CMS's authority to mount the new Medicare Part D Premium Stabilization demonstration, which aims to offset a projected rise in premiums due to other provisions of the IRA. Lawmakers have asked the Government Accountability Office to scrutinize the program on various grounds, arguing that it "lacks any budgetary analysis, clear statutory basis, or credible research goals." The complex changes in the IRA are producing "lower out-of-pocket costs for Part D enrollees but higher costs for Part D plans overall, leading to concerns about possible premium increases," a KFF [analysis](#) notes.
- Authors from APG Member [VillageMD](#) offer prescriptions in [Health Affairs Forefront](#) for improving CMS's policies governing ACOs. VillageMD has participated in the Global and Professional Direct Contracting (GPDC) and ACO REACH models. The article was written before publication of a new evaluation of GPDC that has led the CMS Innovation Center to alter some key aspects of the ACO REACH model to generate greater savings for Medicare (see [Washington Update, August 2, 2024](#))
- APG's President and CEO, Susan Dentzer, joined Dr. Eric Weaver in a [podcast](#) discussion on a broad set of topics related to value-based care. The podcast is sponsored by APG member [Lumeris](#).



APG Announcements And Offerings

- [REGISTRATION NOW OPEN!](#) - **APG's Annual Fall Conference 2024 will be held November 11 – 13 in Washington, DC.** This year's theme is ***Health Care Strong: Embracing Change and Thriving in Uncertain Times***. Register now for Super

Early Bird savings!

- APG will host a **member-only focus group** to gather feedback on **CMS's Proposed Rule** for the 2025 Medicare Physician Fee Schedule on **Tuesday, August 13**, from **12:00-1:00 pm ET**. Members can register [here](#).
- The APG Hosted Webinar, "**Unlock Cost Savings Via A Proven And Scalable Dementia Care Program**," will take place on **Tuesday, August 13, 2:00-3:00 pm ET**. The webinar will be presented by Ceresti Health. For more information, including the learning objectives and speakers, [click here](#). Members can register [here](#).
- The next APG Hosted Webinar, "**Intersecting Clinical Documentation Improvement (CDI) and Technology to Positively Impact Risk Adjustment and Patient Outcomes**" will take place on **Thursday, October 3, 2:00-3:00 pm ET**. The webinar will be presented by Episource. For more information, including the learning objectives and speakers, [click here](#). Members can register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

Know people who may enjoy receiving *Washington Update*? Forward this email and have them contact communications@apg.org to be added to the subscription list. Visit APG's [website](#) for more news and resources, or contact a member of APG's Washington, DC, policy team below.

Valinda Rutledge, EVP, Advocacy and Education vrutledge@apg.org
Jennifer Podulka, Senior Vice President, Federal Policy jpodulka@apg.org